

## Nonmajor Enterprise Funds

---

Enterprise Funds account for any activity for which a fee is charged to external users for goods or services. If an activity's principal revenue source meets any one of the following criteria, it is required to be reported as an enterprise fund: (1) an activity financed with debt that is secured solely by pledge of the net revenues from fees and charges for the activity; (2) laws or regulations which require that the activity's costs of providing services, including capital costs, be recovered with fees and charges, rather than with taxes or similar revenues; or (3) pricing policies which establish fees and charges designed to recover the activity's costs, including capital costs. The Nonmajor Enterprise Funds are described below:

**The Liquor Fund** is used to account for the administration and operation of state liquor stores, warehouses, and the distribution of net proceeds.

**The Convention and Trade Fund** is used to account for the acquisition, design, construction, promotion, and operation of the State Convention and Trade Center.

**The Lottery Fund** is used to account for lottery ticket revenues, administrative and operating expenses of the Lottery Commission, and the distribution of revenue.

**The Institutional Fund** accounts for the enterprise activities (industries) carried out through vocational/education programs at the correctional institutions.

**The Higher Education Student Services Fund** is used by colleges and universities principally for bookstore, cafeteria, parking, student housing, food service, and hospital business enterprise activities.

**The Health Insurance Fund** accounts for payment of health care coverage to low-income residents and premiums for employees' insurance benefit contracts.

**The Other Activities Fund** accounts for the following: (1) the advanced college tuition payment program; (2) the operation of computer systems for legislative information; (3) the production and sale of statute law publications and official reports; (4) Judicial Information System users, and (5) the Tobacco Settlement Authority, a blended component unit.

## Combining Statement of Fund Net Assets

### Nonmajor Enterprise Funds

June 30, 2003

(expressed in thousands)

	Liquor	Convention and Trade	Lottery	Institutional
<b>Assets</b>				
<b>Current Assets:</b>				
Cash and pooled investments	\$ 10,317	\$ 36,204	\$ 33,147	\$ 14,804
Investments	-	-	72,129	-
Taxes receivable (net of allowance)	4,070	-	-	-
Other receivables (net of allowance)	4,940	2,864	15,105	240
Due from other funds	851	731	6,569	3,437
Due from other governments	-	-	-	307
Inventories	29,039	-	278	7,917
Prepaid expenses	-	346	275	427
<b>Total Current Assets</b>	<b>49,217</b>	<b>40,145</b>	<b>127,503</b>	<b>27,132</b>
<b>Noncurrent Assets:</b>				
Investments, noncurrent	-	-	545,224	14
Other noncurrent assets	-	-	-	-
Capital Assets:				
Land	177	77,355	-	-
Buildings	-	381,561	-	-
Other improvements and miscellaneous	134	2,842	770	2,206
Furnishings and equipment	6,465	4,315	2,779	12,740
Accumulated depreciation	(3,894)	(59,998)	(2,931)	(6,949)
Construction in progress	30,368	-	-	-
<b>Total Noncurrent Assets</b>	<b>33,250</b>	<b>406,075</b>	<b>545,842</b>	<b>8,011</b>
<b>Total Assets</b>	<b>\$ 82,467</b>	<b>\$ 446,220</b>	<b>\$ 673,345</b>	<b>\$ 35,143</b>
<b>Liabilities</b>				
<b>Current Liabilities:</b>				
Accounts payable	\$ 16,847	\$ 632	\$ 3,377	\$ 1,659
Contracts and retainages payable	-	2,032	-	-
Accrued liabilities	12,327	2,164	96,853	791
Obligations under security lending agreements	-	-	-	-
Bonds and notes payable	2,245	16,522	-	11
Due to other funds	6,082	404	5,859	1,115
Due to other governments	-	-	41	-
Deferred revenues	-	-	-	24
Claims and judgments payable, current	-	-	-	-
<b>Total Current Liabilities</b>	<b>37,501</b>	<b>21,754</b>	<b>106,130</b>	<b>3,600</b>
<b>Non-Current Liabilities:</b>				
Claims and judgments payable, long-term	-	-	-	-
Bonds and notes payable	11,597	287,686	-	-
Other long-term liabilities	3,534	-	459,897	877
<b>Total Non-Current Liabilities</b>	<b>15,131</b>	<b>287,686</b>	<b>459,897</b>	<b>877</b>
<b>Total Liabilities</b>	<b>52,632</b>	<b>309,440</b>	<b>566,027</b>	<b>4,477</b>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	19,407	101,868	618	7,987
Restricted for:				
Other specific purposes	-	-	-	-
Unrestricted	10,428	34,912	106,700	22,679
<b>Total Net (Deficit) Assets</b>	<b>\$ 29,835</b>	<b>\$ 136,780</b>	<b>\$ 107,318</b>	<b>\$ 30,666</b>

Higher Education Student Services	Health Insurance	Other Activities	Total
\$ 285,787	\$ 80,068	\$ 173,220	\$ 633,547
2,216	11,880	45,910	132,135
-	-	-	4,070
125,369	164	1,576	150,258
31,572	17,939	263	61,362
24,978	13,769	3,245	42,299
30,364	-	-	67,598
5,747	-	7	6,802
506,033	123,820	224,221	1,098,071
144,311	47,922	270,377	1,007,848
849	-	75,026	75,875
2,822	-	-	80,354
773,092	-	-	1,154,653
55,111	-	80	61,143
222,268	1,374	12,863	262,804
(491,630)	(746)	(10,301)	(576,449)
207,756	-	-	238,124
914,579	48,550	348,045	2,304,352
\$ 1,420,612	\$ 172,370	\$ 572,266	\$ 3,402,423
\$ 69,306	\$ 13,352	\$ 1,522	\$ 106,695
9,654	15,878	7	27,571
66,122	228	15,083	193,568
-	11,880	45,910	57,790
32,542	-	16,648	67,968
43,258	18,378	45,528	120,624
9	-	2,583	2,633
30,446	172	47	30,689
-	47,934	1,081	49,015
251,337	107,822	128,409	656,553
-	-	2,470	2,470
354,172	-	504,331	1,157,786
4,815	351	352,037	821,511
358,987	351	858,838	1,981,767
610,324	108,173	987,247	2,638,320
382,706	628	16,096	529,310
-	-	63,476	63,476
427,582	63,569	(494,553)	171,317
\$ 810,288	\$ 64,197	(\$ 414,981)	\$ 764,103

## Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

### Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2003

(expressed in thousands)

	Liquor	Convention and Trade	Lottery	Institutional	Higher Education Student Services
<b>Operating Revenues:</b>					
Sales	\$ 383,270	\$ -	\$ -	\$ 44,480	\$ 114,974
Less: Cost of goods sold	265,423	-	-	30,919	75,934
Gross profit	117,847	-	-	13,561	39,040
Charges for services	708	11,880	-	-	861,365
Premiums and assessments	-	-	-	-	-
Lottery ticket proceeds	-	-	460,345	-	-
Miscellaneous revenue	713	5	-	2,501	90,927
<b>Total Operating Revenues</b>	119,268	11,885	460,345	16,062	991,332
<b>Operating Expenses:</b>					
Salaries and wages	30,419	5,635	6,359	9,308	404,398
Employee benefits	9,422	2,382	1,596	1,925	65,773
Personal services	1,257	4,537	8,831	-	17,872
Goods and services	32,297	4,138	47,386	673	387,287
Travel	271	15	445	98	15,131
Premiums and claims	-	-	-	15	652
Lottery prize payments	-	-	297,975	-	-
Depreciation and amortization	493	4,367	236	1,295	36,335
Miscellaneous expenses	2,070	23	447	264	26,337
<b>Total Operating Expenses</b>	76,229	21,097	363,275	13,578	953,785
<b>Operating Income (Loss)</b>	43,039	(9,212)	97,070	2,484	37,547
<b>Nonoperating Revenues (Expenses):</b>					
Earnings (loss) on investments	-	-	68,985	1	24,008
Interest expense	(779)	(17,423)	(35,743)	(11)	(21,628)
Distributions to other governments	(27,184)	-	(3,872)	-	-
Other revenue (expenses)	55,953	38,432	20	(806)	13,217
<b>Total Nonoperating Revenues (Expenses)</b>	27,990	21,009	29,390	(816)	15,597
<b>Income (Loss) Before Contributions and Transfers</b>	71,029	11,797	126,460	1,668	53,144
Capital Contributions	-	60,340	-	-	-
Transfers in	91	-	11,215	367	137,545
Transfers (out)	(63,984)	-	(106,104)	(11)	(142,091)
<b>Net Contributions and Transfers</b>	(63,893)	60,340	(94,889)	356	(4,546)
<b>Change in Net Assets</b>	7,136	72,137	31,571	2,024	48,598
<b>Net Assets - Beginning, as restated</b>	22,699	64,643	75,747	28,642	761,690
<b>Net Assets - Ending</b>	\$ 29,835	\$ 136,780	\$ 107,318	\$ 30,666	\$ 810,288

Health Insurance	Other Activities	Total
\$ -	\$ -	\$ 542,724
-	-	372,276
-	-	170,448
-	32,336	906,289
932,141	-	932,141
-	-	460,345
31	35,486	129,663
932,172	67,822	2,598,886
4,118	15,248	475,485
951	3,360	85,409
1,238	4,056	37,791
4,716	18,802	495,299
38	660	16,658
884,659	-	885,326
-	-	297,975
191	1,431	44,348
15,962	16,228	61,331
911,873	59,785	2,399,622
20,299	8,037	199,264
2,483	24,298	119,775
-	(22,358)	(97,942)
-	-	(31,056)
6,001	12,049	124,866
8,484	13,989	115,643
28,783	22,026	314,907
-	-	60,340
26,550	-	175,768
(26,732)	(450,098)	(789,020)
(182)	(450,098)	(552,912)
28,601	(428,072)	(238,005)
35,596	13,091	1,002,108
\$ 64,197	(\$ 414,981)	\$ 764,103

# Combining Statement of Cash Flows

## Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2003

(expressed in thousands)

	Liquor	Convention and Trade	Lottery	Institutional
<b>Cash Flows from Operating Activities:</b>				
Receipts from customers	\$ 386,137	\$ 13,659	\$ 461,512	\$ 43,147
Payments to suppliers	(294,639)	(8,169)	(398,870)	(33,187)
Payments to employees	(39,823)	(7,901)	(7,912)	(11,347)
Other receipts (payments)	713	5	-	2,501
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>52,388</b>	<b>(2,406)</b>	<b>54,730</b>	<b>1,114</b>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Transfers in	91	-	11,215	367
Transfers out	(63,984)	-	(106,104)	(11)
Operating grants and donations received	-	-	-	55
Taxes and license fees collected	56,126	38,432	20	-
Distributions to other governments	(27,184)	-	(3,872)	-
Other noncapital financing activity	7	-	-	11
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(34,944)</b>	<b>38,432</b>	<b>(98,741)</b>	<b>422</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Interest paid	(779)	(14,170)	-	(11)
Principal payments on long-term capital financing	(3,007)	(17,010)	-	(306)
Proceeds from long-term capital financing	-	3,521	-	-
Proceeds from sale of capital assets	15	8,354	-	327
Acquisitions of capital assets	(3,678)	(9,930)	(45)	(2,609)
<b>Net Cash or Pooled Investments Provided by (Used in) Capital and Related Financing Activities</b>	<b>(7,449)</b>	<b>(29,235)</b>	<b>(45)</b>	<b>(2,599)</b>
<b>Cash Flows from Investing Activities:</b>				
Receipt of interest	-	-	674	1
Proceeds from sale of investment securities	-	-	151,342	-
Purchases of investment securities	-	-	(102,405)	-
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>-</b>	<b>-</b>	<b>49,611</b>	<b>1</b>
<b>Net Increase (Decrease) in Cash and Pooled Investments</b>	<b>9,995</b>	<b>6,791</b>	<b>5,555</b>	<b>(1,062)</b>
Cash and Pooled Investments, July 1	322	29,413	27,592	15,866
Cash and Pooled Investments, June 30	\$ 10,317	\$ 36,204	\$ 33,147	\$ 14,804
<b>Cash Flows from Operating Activities:</b>				
Operating Income (Loss)	\$ 43,039	\$ ( 9,212)	\$ 97,070	\$ 2,484
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations:</b>				
Depreciation	493	4,367	236	1,295
Provision for uncollectible accounts	-	-	53	167
<b>Change in Assets: Decrease (Increase)</b>				
Receivables (net of allowance)	2,160	1,779	1,167	(1,311)
Inventories	2,523	-	228	(1,491)
Prepaid expenses	-	14	207	(374)
<b>Change in Liabilities: Increase (Decrease)</b>				
Payables	4,173	646	(44,231)	344
<b>Net Cash or Cash Equivalents Provided by (Used in) Operating Activities</b>	<b>\$ 52,388</b>	<b>\$ ( 2,406)</b>	<b>\$ 54,730</b>	<b>\$ 1,114</b>
<b>Noncash Investing, Capital, and Financing Activities:</b>				
Contributions of Capital Assets	\$ -	\$ 60,340	\$ -	\$ -
Amortization of interest on long-term prize liability	-	-	35,743	-
Increase (decrease) in fair value of investments	-	-	68,311	-
Refunding bonds issued	-	-	-	-
Refunded bonds redeemed	-	-	-	-
Gain (loss) on refunding activity	-	-	-	-
Amortization of debt premium (issue costs/discount)	-	-	-	-
Accretion of interest on zero coupon bonds	-	3,253	-	-

Higher Education Student Services	Health Insurance	Other Activities	Total
\$ 919,451	\$ 938,312	\$ 30,805	\$ 2,793,023
(458,144)	(914,528)	135,831	(1,971,706)
(468,344)	(4,065)	(18,603)	(557,995)
90,927	30	35,486	129,662
83,890	19,749	183,519	392,984
137,545	26,550	-	175,768
(142,091)	(26,732)	(450,098)	(789,020)
17,446	6,000	-	23,501
-	-	12,140	106,718
-	-	-	(31,056)
1	1	51	71
12,901	5,819	(437,907)	(514,018)
(20,343)	-	(19,050)	(54,353)
(29,653)	-	(15,332)	(65,308)
51,139	-	518,398	573,058
1,477	-	37	10,210
(142,960)	(302)	(728)	(160,252)
(140,340)	(302)	483,325	303,355
27,250	2,508	7,555	37,988
50,487	-	235,571	437,400
(32,063)	(9,245)	(374,694)	(518,407)
45,674	(6,737)	(131,568)	(43,019)
2,125	18,529	97,369	139,302
283,662	61,539	75,851	494,245
\$ 285,787	\$ 80,068	\$ 173,220	\$ 633,547
\$ 37,547	\$ 20,299	\$ 8,037	\$ 199,264
36,335	191	1,431	44,348
9,569	(30)	-	9,759
(59,392)	6,211	(1,089)	(50,475)
(1,391)	-	2	(129)
874	-	177	898
60,348	(6,922)	174,961	189,319
\$ 83,890	\$ 19,749	\$ 183,519	\$ 392,984
\$ -	\$ -	\$ -	\$ 60,340
-	-	-	35,743
(3,166)	(11)	16,200	81,334
7,650	-	-	7,650
(7,425)	-	-	(7,425)
(225)	-	-	(225)
261	-	534	795
-	-	-	3,253

